

China's Increasing Energy Needs and Role as an International Superpower

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Edwin M. Hernandez Garcia

Introduction

The rise of the People's Republic of China to economic superpower status has affected the globalization process on many fronts, ranging from economics to politics, from telecommunications to the environment. However, China's economic ascent has had equally striking effects on global energy demand and supply. China's gross domestic product has grown at an average of 9 percent per year during the past decade. This tremendous solid economic growth has caused an increase in the country's oil consumption, reducing the global oil supply, and contributing to the spike in global oil prices in 2008, when a barrel of oil reached the price of \$147.29 (Bradsher, 2009; Mouawad, 2009). These important developments have led China to search for energy supplies all over the world and to negotiate, in some instances, with rogue regimes, such as the Sudanese and Iranian governments; the international community considers these governments rogue regimes due to the many human rights abuses sanctioned by them (Bradsher, 2009).

China's rise to superpower status requires that the country asserts a more proactive and responsible role in the international community than it has in the past. As China expands its relationships with other countries across the world, it is uncertain whether it will take such a role. Its non-transparent deals with foreign governments and moderate approaches to developments at international institutions, such as the World Bank and the United Nations, can lead to suspect that the country will not become a more "responsible stakeholder" in the international community, even though long term trends suggest that it will do otherwise with time (Gill, 2007).

This report examines the growing energy needs and role as an international superpower of China, the world's fastest-growing economy and the second largest oil consumer by: 1) Providing a timeline of the recent developments surrounding China's energy needs and role as an international superpower; 2) Discussing contending perspectives and taking a position on whether China is a developed or developing country; 3) Examining China's energy needs at the international level and its implications; 4) Examining China's energy needs at the national level and the debate within China about what to do to achieve energy security; 5) Examining the political implications of China's hunt for energy sources; 6) Examining the trends in China's rise to superpower status and involvement in international organizations to predict its future role in the international community; and 7) Offering recommendations to the Chinese government to reduce its oil dependency, increase its use of alternative energy sources, maintain good relationships with its allies and trading partners, and become a more proactive, reliable and responsible stakeholder in the international community.

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This short study argues that: 1) China, by most measures, is still a developing country, yet one making rapid progress to develop; 2) China lacks coordinated energy policies and a government institution to implement such policies; 3) China's energy deals with rogue regimes and in the geographical sphere of influence of the United States may be perceived by the latter as a threat to its global hegemony; 4) China's energy diplomacy lacks transparency; 5) China's energy policymakers suffer from policy paralysis and prevent the creation and execution of a Chinese national energy strategic plan; 6) China's alternative energy plans lack adequate funding.

Timeline of Relevant Developments

- 1993: China becomes a net importer of oil (Downs, 2004).
- 1999: China National Petroleum Corporation (CNPC), a state-owned corporation, starts producing oil in Sudan (Houser, & Levy, 2008).
- 2001: China joins the World Trade Organization (Castle, & Jolly, 2010).
- 2003: Violence erupts in the Darfur region of Sudan (Houser, & Levy, 2008).
- 2003: China imports from foreign markets in raw materials total \$73 billion
(Houser, & Levy, 2008).
- 2007: China imports from foreign markets in raw materials total \$240 billion, a \$167 billion increase from 2003 (Houser, & Levy, 2008).
- 2007: CNPC's oil output from Sudan reaches 200,000 barrels per day in December. This accounts for 64 percent of all Sudanese oil exports and roughly 5 percent of Chinese oil imports (Houser, & Levy, 2008; French, 2007).
- 2007: Total Chinese overseas' oil production totals 620,000 barrels a day
(Houser, & Levy, 2008).
- 2007: China becomes the 12th peacekeepers' contributor to the United Nations missions (Gill, 2007).
- 2008: China's oil consumption totals 8 million barrels a day (Bradsher, 2009).
- 2008: Price of oil reaches a record per barrel price of \$147.29 (Mouawad, 2009).
- 2008: China joins the Inter-American Development Bank (IADB) and invests \$350 million in it, increasing its presence and influence in Latin America (Kraul, 2008).
- 2009: China's gross domestic product grows at 8.7 percent (Wassener, 2010).
- 2009: U.S. firms invest \$3.6 billion in China during the year (Roberts, 2010).

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- 2009: China National Petroleum Corporation starts drilling oil fields in southern Iraq (Bradsher, 2009).
- 2009: The Chinese government increases its Africa Development Fund by \$2 billion (Baldauf, 2009).
- 2009: China becomes the world's largest automaker, as a result of the global economic crisis and China's sustained economic boom (Bradsher, 2009).
- 2009: China becomes the world's main manufacturer of wind turbines, an important alternative energy source (Bradsher, 2010).
- 2010: The Venezuelan Government announces that China will provide the country with \$20 billion in loans, as well as establish an investment fund worth more than \$12 billion (Romero, 2010).
- 2010: Several American trade associations send a letter to President Barack Obama "warning" the federal government of the Chinese government's efforts to protect their national companies at the "expense" of foreign firms, especially American enterprises (Roberts, 2010).
- 2010: China invests \$50 billion in the World Bank and the IMF, increasing its voting rights and becoming the third country of influence in the World Bank--just behind the U.S. and Japan.

Is China a Developed or a Developing Country? Contending Perspectives

Because of its large economy and even larger population, determining whether China is still a developing country or has reached the level of development required to consider it a country of the so called first world or developed is a challenge. China may already be considered a developed country. China's economy ranks second in terms of GDP, only behind the United States, and the country houses 20 percent or 1/5 of the entire population of the world (Baige, 2005; Roberts, 2010; Davis, 2009). China is one of the world's major export countries and has accumulated a trade surplus with the United States of \$227 billion, mainly over the last decade (Roberts, 2010). In addition, China holds more than \$1 trillion in foreign exchange reserves, including more than \$700 billion in U.S. securities (Morrison, & Labonte, 2008). China's latest positive sign concerning development and growing influence is the country's investment in the World Bank; China has already invested \$50 billion this year (Ide, 2010). As political scientist Martin Edwards of Seton Hall University states, when explaining China's economic progress and development: "It is tough to think about China as a developing country [anymore]" (Ide, 2010).

These very positive signs may indicate that China is, indeed, already a developed country. However, the reality is very different. Despite China's tremendous economic progress, the country faces significant challenges in terms of human development and rule of law that prevent it from becoming a truly developed country. China may have the world's second economy, but more than 100 million of its citizens live on less than one dollar a day, which underlines the

significant levels of poverty prevalent in this economic superpower (Summers, 2010). Several authors (Davis, 2009; Summers, 2010; Chao, 2007) have stressed the inequality prevalent in China between the progress in the cities and misery and underdevelopment in rural areas of the country. For instance, the illiteracy levels in some rural communities of China average 50% , while in the cities less than 10 percent do not know how to read or write (Chao, 2007). In addition, China ranks 104th in the world's Human Development Index—the United Nations index that evaluates the quality of development and human life around the world (Baige, 2005); therefore, based on this index China is considered a country of median development, yet still developing. Another point of comparison useful in determine the level of development in China is per capita income, or the average amount of money each person earns each year. Due to its large population—the world's largest—China's per capita income is very low, roughly \$3,000.00 a year, compared to the U.S. with \$46,900.00 (CIA, 2010; Davis, 2009). These figures highlight the long road that China has to travel before it gets to become a developed country.

Perhaps the situation of China is best described by its Prime Minister, Wen Jiabao, who has repeatedly stated: “China is a big country. Any achievement, however large, when divided by 1.3 billion people, is a very small achievement” (Davis, 2009). This in no way suggests that China has not made progress in the past decades. The group that has seen more positive changes is young adults, especially those belonging to the urban middle class (Davis, 2009). China is home to many young entrepreneurs and, as Summers (2010) notes about Beijing, Shanghai, and other large Chinese cities, “home to more millionaires than there are in most European countries..[which may lead you] question the developing tag” (Summers, 2010).

The rule of law is one important aspect in which China lags behind the developed world. China's judicial system is highly corrupt and inefficient in solving legal disputes. The Chinese government recently passed a law that affects foreign investors since it requires companies to have their copyrights and trademarks filed in China before they do so overseas; this measure will provide Chinese bureaucrats with access to these business secrets, and these could in turn pass it on to Chinese businesses (Roberts, 2010). The corruption in China is so rampant that, as Goldman (2007) notes, “entrepreneurs are dependent on the [Communist] party for their economic livelihood. They need the help of party officials to initiate and maintain their enterprises” (Goldman, 2007). Furthermore, Chinese citizens who sue the government for irregularities often see their cases rejected by the courts or with no action taken on them. An important case in point is that of several peasants from Shiqiao, China, who lost portions of their land because the Chinese government claimed eminent domain on them to build major public infrastructures, such as roads (Kahn, 2005). To become a developed country, China has a long road ahead of itself in terms of social justice and credibility of its government.

While China may meet the criteria of a developed country in economic terms, but the country's standing in other important aspects of development, especially human development, indicate that it is far from becoming a developed country. While the Chinese economy, by most measures including its total GDP, represents the third largest economy of the world, surpassing countries like France, the United Kingdom and Germany, it lags behind all of these countries in terms of citizens' access to education and technologies, literacy level, income equality, and effectiveness and credibility of its system of justice. Based on the aforementioned indicators, this report concludes that China is a developing country, but one making rapid progress towards becoming one.

China's energy needs in the global context: China energy investments

Within two decades, from 1973 to 1993, China went from being East Asia's biggest exporter of oil to become the world's second largest importer of oil—only behind the United States (Zweig, & Jianhai, 2005; Downs, 2004). The era of Chinese energy independence ended in 1993 when the country, due to its economic growth and subsequent increased oil consumption, and its increased urbanization, started to import more oil products than it exported (Daojiong, 2006; Morrison, 2008). This dramatic development would have repercussions that only a few scholars did predict: In its search for energy sources, China would become one of the world's most influential economic powers.

In order to meet the energy needs of the country, the Chinese government made the pursuit of international foreign sources of energy one of its top priorities (Daojiong, 2006; Downs, 2004; Morrison, 2008; Zweig, & Jianhai, 2005). The Chinese government, through its state-owned oil companies, made its first purchase of rights for overseas oil explorations in 1993 when it bought the Talara Block in Peru for \$25 million (Daojiong, 2006). Ever since Chinese oil companies have made oil investments in several countries. Chinese oil companies, especially the China National Corporation, PetroChina, and Sinopec, currently possess energy investments in Venezuela, Sudan, Iran, Iraq, Angola, Uzbekistan, Kazakhstan, Australia, Ecuador, Brazil, Canada, Turkmenistan, and others (Daojiong, 2006; Zweig, & Jianhai, 2005; The Economist, 2010). These investments in foreign oil assets in several continents show that Chinese investments have achieved global presence; these actions can lead one to believe that the Chinese government can use these investments to expand its global influence.

In addition to investing in foreign countries, the Chinese government has engaged in energy diplomacy with foreign governments. The Chinese government has offered loans, investments in infrastructure, foreign aid, and debt forgiveness to foreign governments in exchange of access to energy sources and loyalty to China (Zweig, & Jianhai, 2005; The Economist, 2010; Daojiong, 2006). For instance, in 2009 the Chinese government lent the government of Turkmenistan \$4 billion for the latter to develop one of its gas fields (The Economist, 2010). In addition, to convince the Kazakhstan government to allow Chinese energy companies to acquire an important Kazakhstani oil company, the Chinese government lent its Kazakhstani counterpart \$10 billion before the latter approved the deal (The Economist, 2010; Zweig, & Jianhai, 2005). Dr. Dosyn Satpayev, the director of Risk Assessment Group, a corporate consulting firm in Kazakhstan, describes China's energy diplomacy approach as follows: "China does not only buy loyalty with documents, but with money given at a low percentage" (The Economist, 2010). China seems to not only desire to secure energy sources but also influence and loyalty through energy diplomacy.

China's energy needs in the national context

The increasing energy needs of China have had a serious impact on the public administration of the country. Contrary to common wisdom, the Chinese government has not managed China's energy needs and its search for supplies internationally adequately. China's lack of a government institution to coordinate its efforts to achieve energy security and reduce international energy dependence represents the greatest challenge to China's energy independence (Daojiong, 2006). Several studies (Daojiong, 2006; Downs, 2004; Sinton, Stern,

Aden, & Levine, 2005) have stressed the need for coordinated action by the Chinese government to address local energy demand, search and acquisition of foreign energy supplies, and relationships with foreign governments concerning energy deals. In 1993, China dissolved its ministry of energy and since then it lacks a ministry-level agency to coordinate its energy development policies; this affects China's ability to develop a strategic plan to achieve its energy independence (Daojiong, 2006; Sinton, Stern, Aden, & Levine, 2005).

Furthermore, the lack of a coordinating institution creates a problem of policy paralysis. (Sinton, et al. 2005) note that many interests groups are involved in setting Chinese energy policy, including the Chinese ministry for foreign affairs, the oil companies, and the top leadership of the Communist Party of China; this fragmentation of decision-making in the energy sector has led the Chinese government to postpone some important decisions, such as the creation of a Chinese strategic petroleum reserve (Downs, 2004; Sinton, et al., 2005). If created, the strategic petroleum reserve could help China deal with any oil disruptions in international markets more effectively (Downs, 2004). This policy paralysis has also prevented China from allocating more resources into alternative energy sources. Sinton, et al. (2005) contend that if China wants to become energy independent, it must dramatically increase its investments in alternative energy sources, as well as develop energy efficiency mechanisms within the country; these initiatives, (Sinton, et al. 2005) argue, have not been pursued not only due to a lack of interest by the Chinese government, but most importantly due to policy disagreements among the key stakeholders and actors. China needs a coordinating institution that can better address the challenges facing China in its efforts to pursue sustainable energy policies and become energy independent.

Political implications of China's increasing need for energy resources

China's hunt for energy sources has had political implications around the world, from Asia to Europe and from North America to Africa. However, this paper covers the political implications of China's search for energy sources on the United Nations Security Council (UNSC) and on its relationship with the United States. Because the UNSC is the most powerful security committee in the world, of which China is a permanent member, and the United States is China's main economic partner, the political implications of China's search for energy sources on these two need examination.

The United Nations Security Council

In 1971, the People's Republic of China became one of the five permanent members, with veto power, of the United Nations Security Council (Houser, & Levy, 2008). China joined France, the United States, United Kingdom, and Russia (then the Soviet Union) as a permanent member of the United Nations Security Council (UNSC), after the United Nations transferred it from Taiwan (Houser, & Levy, 2008). Because of China's veto power in the UNSC, many human rights advocacy groups and media figures, such as Human Rights Watch, Pulitzer-winning author Samantha Power, and others, suggest that China would block any resolution in the Security Council punishing the Sudanese government for its human rights abuses (Kristoff, 2006; Houser, & Levy, 2008). In fact, in 2004, China blocked a resolution in the Security Council that would impose severe sanctions against Sudan, which signals the attitude of the Chinese government to use international instruments at its disposal, such as veto power at the

UNSC, when it deems necessary to protect their interests; in this case, energy sources (Spencer, 2008). By protecting rogue regimes through legitimate international diplomatic mechanisms, China isolates itself from the international 'community at a time when it most needs China to take a more active role in this multipolar and globalized world.

Tensions with the United States

The United States remains China's main commercial partner. In 2007, the volume of trade between the two countries was \$389 billion (Morrison, 2008). China is the United States' 2nd largest trading partner and the largest holder of U.S. Treasury bonds with \$1 trillion invested in U.S. debt (Morrison, 2008). These numbers demonstrate the Chinese and American economies' interdependence; any disruption in either country would affect the other. However, China's search for energy sources in developing countries, especially with rogue regimes and foreign governments hostile to U.S. interests, has caused tensions between the two governments.

Chinese investments and economic support to the governments of Iran, Venezuela, and Sudan have raised concern in Washington. Morrison (2008), on a report for the Congressional Research Service, notes that several American policymakers worry that China's energy needs could lead it to take actions contrary to U.S. foreign policy interests and cause tensions between the two countries. President Hugo Chavez's comments, when Chinese government officials and oil companies' executives visited Venezuela in 2004, illustrate the risks that Chinese investments pose to U.S.-China relationships. "We have been producing and exporting oil for more than 100 years, but these have been 100 years of domination by the United States. Now we are free, and place this oil at the disposal of the great Chinese fatherland," Chavez stated (Zweig, & Jianhai, 2005, p. 33). China's incursion in the U.S. sphere of influence in search of energy supplies extends beyond America's backyard. In 2005, state-owned Chinese oil giant PetroChina signed an agreement with Enbridge, a Canadian oil company, to develop oil sands deposits in Canada, in addition to building a \$2 billion pipeline to carry oil to the western coast of the country for easier shipment to China (Zweig & Jianhai, 2005). Furthermore, the China National Petroleum Corporation started drilling oil fields in southern Iraq in 2009, while American troops and security companies provided security for the country, and Chinese investments received this indirect security at no cost (Bradsher, 2009). Judging from President Chavez' comment and Chinese actions in Canada, Iraq, and Venezuela many American policymakers may rightfully feel that the peaceful rise of China to superpower status may threaten not only American economic and political interests, but also its global influence.

However, the most crucial test to Sino-American (China-U.S.) relations may come if China's hunger for energy sources pushes it to increase its military power, especially its naval power; this would represent a direct threat to U.S. military global hegemony. As China becomes more dependent on foreign oil, it may find it useful to secure the sea lines it uses to transport oil from overseas, such as the Strait of Malacca and the Taiwan Strait (Zweig & Jianhai, 2005). The United States Military has a strong presence in this region; it has a naval base in Diego Garcia, in the Indian Ocean and warships in the region (Zweig & Jianhai, 2005). In 2005, then U.S. Defense Secretary Donald Rumsfeld demanded that the Chinese "explain why [they] are increasing [their] military investments when China faces no major threats; there is no evidence that China's increased military spending poses a threat to the U.S. (Zweig & Jianhai, 2005, p. 35). China's search for energy sources and its eventual military spending increases to protect its

energy supplies may threaten Sino-American relationships; China needs to carefully consider its future actions concerning its energy and oil shipments security to avoid damaging its relationship with the United States.

Will China Take its Role in the International Community?

Because nations' future actions are unpredictable, predicting whether China will become a more responsible stakeholder and take its role as a rising superpower in the international community poses a difficult challenge. However, this study surveys the most recent developments in China's involvement in the international community to predict its future role in the international community. China, given its economic ascent and increasing influence in world affairs, will be one of the countries with the most impact in the years ahead. The eyes of the world are on China and what happens in China or by China will affect the world.

The trend in China's international relations suggests that China will become a more responsible and proactive member of the international community. Evidence of this is China's increasing involvement in the United Nations, especially on peacekeeping missions. In 2007, China provided the United Nations with more than 1,800 troops, including observers and civilian police deployed in at least 12 nations around the world (Gill, 2007). China has also made significant progress in the area of international security by becoming a signatory of the Nuclear Nonproliferation Treaty (NPT), the Container Security Initiative (CSI), and the Chemical Weapons Convention (CWC) (Gill, 2007). In addition, the Chinese government has taken a proactive role in ensuring regional security in Asia by serving as an important mediator in the "Six Party Talks," designed to increase security in the Korean Peninsula, and the Association of Southeast Asian Nations (ASEAN) Regional Forum (Gill, 2007). In addition, due to its economic ascent, investments and involvement in the World Bank, China became the third most powerful country, in terms of voting rights, at the organization on April 26, 2010 (Ide, 2010; Chan, 2010). With this move in voting rights made by the members of the World Bank, China surpassed Germany, France, the United Kingdom and other developed countries in terms of influence at the World Bank (Chan, 2010). China's involvement in different organizations suggests that it will indeed embrace its role as a superpower in a proactive manner.

Of course, many concerns remain about China's willingness to act responsibly and the nation's future role as a superpower in the international community. The U.S. and other developed countries have complained that China has manipulated its currency to make its exports cheaper (Gill, 2007; Morrison, 2008). These countries have voiced their concerns stating that this is unfair competition because Chinese goods are cheaper in international markets, not because of their production methods, but rather because of the country's currency manipulation and subsidized loans to local enterprises (Gill, 2007). The latest event that has led many to question China's willingness to be a responsible stakeholder in the international community is Google's exit from the country, because of censorship issues. At the beginning of the year, hackers attacked Google's China operations, which added to the censorship of the Chinese government and unwillingness to act to catch these cyber-terrorists forced Google to close its operations in mainland China and operate its Internet search service from Hong Kong (Helft, & Barboza, 2010). As Emily Parker, a Senior Fellow with the Center on U.S.-China Relations at the Asia Society, notes: "This has become a war of ideas between the American company [Google] moralizing about Internet censorship and the Chinese government having its own views on the

matter” (Helft, & Barboza, 2010). Another point at issue that is affecting China's standing as a responsible stakeholder is its aid to developing countries. China provides developing countries with loans, investments, and direct aid (Walker, & Cook, 2010). However, China's aid, which does not require recipient countries to enact policies to become more responsible in the international community or to deliver to their citizens, encourages leaders in these countries to do the opposite of what they would do should this aid came from the World Bank or the IMF (Walker, & Cook, 2010). The effect of China's aid can be summed up as “assistance competition,” where developing countries receive aid from China with “no strings attached” and avoid reducing corruption and implementing policies to strengthen their countries' institutions; China's aid in this sense serves as a stumbling block to reforms rather than a motivator of positive reforms in these countries (Walker, & Cook, 2010).

China's actions offer mixed signals about its willingness to be a responsible partner in the international community. While China has effectively made efforts to assert its role in the international community through its involvement in important organizations and cooperation on important issues such as security, it has failed to show enough willingness to assert its role through its national policies. From undervaluing its currency and limiting the operations of foreign private companies, such as Google, to discouraging aid recipient countries, through its “no strings attached” economic aid, from enacting measures to strengthen the rule of law and governance mechanisms, China sends a negative signal to the world—it does something with its right hand and does something else with its left. China needs a coordinated approach to international relations and to asserting itself in the world. Through one voice and strategy, China could become a more responsible stakeholder and partner of developed countries in the search for solutions to climate change, energy issues, international security, global economic crisis, and global health crisis. Any solution to global issues needs China, and China needs the world for any solution to the problems that affect it.

Recommendations and Conclusion

In order to achieve a sustainable path to energy independence and security, avoid affecting its relationships with important trading partners, become a truly developed country, and assert its role in the international community as a more responsible stakeholder, this report recommends that the Chinese government takes the following actions:

- The Chinese government needs to invest more in education, especially in the rural areas of the country, where there is a high degree of illiteracy among citizens. Chao (2007) has documented the inequality in access to education in Chinese rural communities, where as many as 50% of the population, on the average, is illiterate; this contrasts the 10% or less of the urban population which is illiterate (Chao, 2007). Increased investments in schools, school grants for families, and computers for rural communities are necessary if China is to become a true developed country and superpower.
- In order to continue attracting foreign investments and assert its role in the international community, the Chinese government needs to strengthen the rule of law in China by reforming its system of justice. This report has noted the degree of corruption entrenched within the Chinese government. One example highlighting this situation is the dependence of young entrepreneurs on government bureaucrats to advance their

businesses, as Goldman (2007) notes. In addition, China's system of justice is not responsive to its citizens' needs. For instance, Kahn (2005) notes that cases brought by Chinese citizens against the government are often not heard by the courts. This negligence affects the rule of law in the country and violates the principle of the people petitioning the government for abuses committed by the latter. One way to solve most of these issues would be not only to enact stricter laws concerning corruption, but also creating Inspector General offices at each or most Chinese public institutions and for the courts of the country. Such a watchdog would serve as a check on corruption and provide the system with more accountability before its citizens.

- China should create a coordinating energy agency or private/public partnership in charge of energy sources development, acquisitions of foreign energy sources, and improving energy efficiency in the country. It could be named the Chinese Ministry for Energy Development, Efficiency and Security (CMEDES). It could also foster partnerships with the Chinese Foreign Affairs Ministry and the Chinese oil companies to deal more effectively with foreign governments. This ministry would also increase Chinese investments in alternative energy sources, such as wind and solar power. Progress has been made; for instance, China became the major manufacturer of wind turbines in 2009 (Bradsher, 2010). But alternative energy programs in China are underfunded and lack coordination (Bradsher, 2010; this situation could be improved under the proposed new government ministry.
- To better deal with disruptions in international oil markets, the Chinese government and its oil companies should create a strategic petroleum or energy reserve, similar to the U.S. Strategic Petroleum Reserve. Although it may cost the Chinese government billions of dollars, it would provide it with enough oil supply to keep the country moving for several months in the event of an international oil disruption.
- The Chinese government should conduct high level meetings with its top trading partners, especially the United States and the members of the Security Council, to ensure that China's hunt for energy resources does not affect its bilateral relations with these countries.
- The Chinese government and its oil companies should increase the transparency of their energy deals in foreign countries, especially with those regimes with a record of human rights abuses, corruption, and whom the international community has sanctioned, such as Iran and Sudan. They should do this by disclosing more information about these deals to the Chinese public and the international community.
- While China's aid to developing countries helps the latter to achieve their goals in terms of infrastructure and economic development, it also motivates them to postpone enacting and implementing reforms tackling corruption and helping strengthen the rule of law in these countries. China's aid should serve as a catalyst for positive changes in developing countries.
- To ensure that China's aid to developing countries does not conflict with the goals of global development institutions, such as the World Bank and the International Monetary

Fund, the Chinese government and the top officials from these global institutions should set up a task force to examine these issues and come up with a coordinate strategy to offer aid to developing countries without conflicting the goals of either the Chinese government and the international community through these global development institutions. Since China now ranks third in influence at the World Bank, it can use its clout to proactively assert its role as a responsible international stakeholder through such an initiative.

China's rise to economic superpower status will continue to have further implications for developed and developing countries alike. As China's economy and its energy interests continue to expand, the international community will closely watch any policies enacted or agreements made by the Chinese government with foreign governments. This is China's time to take a more active role in the international community, modify its approaches to meeting its energy needs, pursuing national policies such as justice systems reforms and anticorruption efforts more aggressively, and to act as a trustworthy stakeholder in the globalization process.

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